

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:350

ANSWERED ON:02.12.2004

SHORTCOMING IN INVESTMENT POLICY OF INDIAN RAILWAY

Choudhary Shri Nikhil Kumar

Will the Minister of RAILWAYS be pleased to state:

- (a) whether investment policy of Indian Railways is suffering from several shortcomings;
- (b) if so, details of corrective measures taken by the Government with regard there to so that private investors can also invest in Railways;
- (c) the details of projects in progress with Non-budgetary investment;
- (d) whether the progress of work on there projects is not satisfactory; and
- (e) if so, concrete policy adopted by the Government for expeditious completion of these projects?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (e): Indian Railway's investment policy primarily aims at development of infrastructure to meet the growing traffic demands, internal requirements, procurement of rolling stock, safety, modernization and capacity enhancement. The resource mobilization is undertaken through internal generation, budgetary support, market borrowings and other non-budgetary investment initiatives including Public-Private Partnership. Under Public- Private Partnership, it is primarily through cost- sharing, formation of Joint Ventures, BOT (Build Own and Transfer) model and privately owned infrastructure in some cases. Ministry of Railways has already provided rail connectivity to Pipavav and Mundra port under this initiative. Gandhidham - Palanpur Gauge Conversion project and Hassan -Mangalore Gauge Conversion project are being implemented through investments from private sector and other agencies. Progress on these projects is satisfactory. For faster implementation of rail infrastructure projects, Rail Vikas Nigam Limited (RVNL), has been formed. RVNL will generate resources and implement certain identified projects in a fixed time- frame.